

# FISCAL NOTE

**Bill #:** HB0196

**Title:** Combine board of barbers and board of cosmetology

**Primary Sponsor:** Fisher, S

**Status:** As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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## Fiscal Summary

	<b><u>FY 2004 Difference</u></b>	<b><u>FY 2005 Difference</u></b>
<b>Expenditures:</b>		
State Special Revenue	(\$3,720)	(\$4,220)
<b>Revenue:</b>		
State Special Revenue	(\$20,245)	(\$20,245)
<b>Net Impact on General Fund Balance:</b>	\$0	\$0

- |   |  |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact    | <input type="checkbox"/> Technical Concerns                      |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           |
| <input type="checkbox"/> Dedicated Revenue Form Attached  | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

## Fiscal Analysis

1. The merger of the Board of Cosmetologists and the Board of Barbers will result in two less board members that would meet four times a year. The costs savings for the Department of Labor and Industry associated with board member per diem and travel for four meetings a year, that normally run three days, is \$3,720 for per diem, mileage, lodging and meals.
2. All administrative costs associated with the merger of the two professions into one board, such as rule-making and the printing of new forms, will be absorbed within the existing base budget within the Department of Labor and Industry.
3. There will not be a reduction in workload for the boards with the new combined board.
4. In FY 2004, the board will absorb any printing costs associated with the publication of forms. In FY 2005, there is anticipated to be a savings of \$500 associated with the printing of combined forms.
5. There will be a reduction in revenue based upon the requirement to only have one business (salon or shop) license regardless of the type of service provided. There are approximately 60 shops that currently are required to have both a barbershop and cosmetology license because both types of services are provided. The decrease in revenue associated with renewal of a business license based upon a \$75 renewal fee for 60 shops is \$4,500.

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(continued)

6. There are approximately 10 new shops that open each year that currently require separate barbering and cosmetology licenses. The decrease in revenue associated with opening a new business based upon a \$175 (\$100 inspection fee & \$75 application fee for new shops) fee for 10 shops is \$1,750.
7. The renewal period for barbers will be changed from an annual to biennial renewal, which is consistent with the cosmetologists. The decrease in revenue associated with a biennial renewal of a barber license is due to the fee for barbers being reduced (\$45 per year) to equal cosmetologists (\$45 for two years). Based upon a \$45 renewal fee for 622 barbers, the reduction will be \$27,990 for a biennium, or \$13,995 each fiscal year.
8. The total reduction in revenue is estimated at \$20,245 in each fiscal year. There will not be an increase in fees in the biennium due to a sufficient fund balance that will support the decrease.

**FISCAL IMPACT:**

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
<u>Expenditures:</u>		
Personal Services	(\$1,200)	(\$1,200)
Operating Expenses	<u>(2,520)</u>	<u>(3,020)</u>
TOTAL	(\$3,720)	(\$4,220)
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	(\$3,720)	(\$4,220)
<u>Revenues:</u>		
State Special Revenue (02)	(\$20,245)	(\$20,245)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue (02)	(\$16,525)	(\$16,025)